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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 10/618,072  
Filing Date: July 11, 2003  
Appellant(s): DENTLER ET AL.

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Charles W. Gray  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 12/17/2008 appealing from the Office action mailed 7/21/2008.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

Claims 1-5, 9-16, 18-21, 24, and 26 rejected under 35 U.S.C. 103(a) as being unpatentable over Winking et al. in view of FICO score.

Claims 6-8, 17, 22-23, and 25 rejected under 35 U.S.C. 103(a) as being obvious over Winking et al. in view of FICO score, further in view of Applicant admission of prior art.

### **NEW GROUND(S) OF REJECTION**

Claims 1-17 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The new ground(s) of rejection may be found in section 9 below.

#### **(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

#### **(8) Evidence Relied Upon**

US-2003/0167231 A1                      WINKING ET AL.                      09-2003

US-2003/0046223 A1                      CRAWFORD ET AL.                      03-2003

Applicant admission of prior art

#### **(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

#### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-5, 9-16, 18-21, 24, and 26 rejected under 35 U.S.C. 103(a) as being unpatentable over Winking et al. (U.S. PG-Pub 2003/0167231 A1) in view of FICO score, as evidenced by Crawford et al. (U.S. PG-Pub 2003/0046223 A1).**

**Regarding claims 1, 18, and 24,**

Winking et al. teaches retrieving a history of profile records for a credit account over a period of time preceding receipt of the payment, each such profile record corresponding to a date within the period of time and including an account balance for the credit account on the date and a value of credit payments made towards the credit account on the date (see paragraphs 24 and 25).

Winking et al. teaches determining whether to perform one of the following: float the payment, float part of the payment and apply the rest of the payment, and apply the payment in full (see paragraphs 24 and 25). Examiner notes that the language of the claim, ie. “determining whether to perform one of the following:”, only requires one of the listed steps to be performed. Therefore, the limitation, “float part of the payment and apply the rest of the payment” does not limit the claim’s scope.

Winking et al. does not explicitly teach based on an analysis of the retrieved history of profile records, generating a behavior score associated with the credit account, wherein the behavior score assigns a level of risk to the credit account; and based on the behavior score,

determining whether to perform one of the following: float the payment, float part of the payment and apply the rest of the payment, and apply the payment in full.

FICO score teaches based on an analysis of a retrieved history of profile records, generating a behavior score which is used to represent the creditworthiness of a person, wherein the behavior score assigns a level of credit risk to the person (see abstract, paragraphs 5-12).

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the determining of Winking et al. to make the determination based on a behavior score as taught by FICO. One skilled in the art would have been motivated to make the modification because behavior scores provide an easy way to represent credit risk.

**Regarding claims 2, 19, and 26,**

Winking et al. teaches indicating whether any prior payments are floating on the date (see paragraph 25). Examiner notes the reference as teaching floating payments and indicating the number of days since the last payment was applied to the credit account for the purposes fraud detection. Examiner asserts that the indication of the number of days since the last payment was applied is equivalent to indicating whether any prior payments are floating on the date.

**Regarding claims 3 and 20,**

Winking et al. teaches including the number of credited payments made towards the credit account within a time window preceding the date (see paragraph 24).

**Regarding claims 4 and 21,**

Winking et al. teaches including a cumulative value of credited payments made towards the credit account within a time window preceding the date (see paragraph 25).

**Regarding claim 5,**

Winking et al. teaches wherein the time window is at least as great as an expected time for the payment to clear. Examiner notes the reference teaches a 30 day time period (see paragraph 25). This is at least as great as an expected time for payment to clear, which is typically a few days.

**Regarding claim 9,**

Winking et al. teaches considering the number of credited payments floated over the period of time (see paragraphs 24 and 25).

**Regarding claim 10,**

Winking et al. teaches considering the number of credited payments made over the period of time (see paragraph 24).

**Regarding claims 11 and 15,**

Winking et al. teaches determining a fraction of the payment to float; and determining a time to hold a remainder of the payment (see paragraph 24).

**Regarding claim 12,**

Winking et al. teaches determining whether the payment comprises a cash or cash-equivalent payment (see paragraph 24).

**Regarding claim 13,**

Winking et al. teaches maintaining a history of profile records for the credit account, each such profile record corresponding to a date and including an account balance for the credit account on the date and an indication whether any prior payments are floating on the date; determining a new profile record in response to receipt of a payment towards the credit account or of a request for a charge against the credit account; adding the new profile record to the history of profile records; and determining whether to float a payment to the credit account from an analysis of the history of profile records (see paragraphs 24 and 25).

**Regarding claim 14,**

Winking et al. teaches determining whether to float the payment (see paragraph 24).

**Regarding claim 16,**

Winking et al. teaches analyzing a plurality of profile records retrieved from the history (see paragraph 24).

**Claims 6-8, 17, 22-23, and 25 rejected under 35 U.S.C. 103(a) as being obvious over Winking et al. in view of FICO, further in view of Applicant admission of prior art.**



**Regarding claim 6,**

Winking et al. does not explicitly teach wherein the period of time has a length at least as great as an expected time for the payment to clear. Applicant admission of prior art teaches credit histories spanning time periods at least as great as an expected time for a payment to clear, which is typically a few days, were old and well known in the art at the time of invention. It would have been obvious to one of ordinary skill in the art at the time of invention to modify the determining whether to float a payment of Winking et al. with having the history of profile records for the credit account span a time period at least as great as an expected time for a payment to clear. One skilled in the art would have been motivated to make the modification for the benefit of reducing the risk that payments do not clear.

**Regarding claims 7, 17, and 22,**

Winking et al. teaches analyzing a history of profile records to determine whether or not to float a payment but does not explicitly teach determining behavior scores. Applicant admission of prior art teaches that behavior scores were old and well known in the art at the time of invention, an example being FICO credit score. It would have been obvious to one of ordinary skill in the art at the time of invention to modify the profile records of Winking et al. to include behavior scores. One skilled in the art would have been motivated to make the modification for the benefit of convenience.

**Regarding claim 8, 23, and 25,**

Winking et al. does not explicitly teach developing a worst-case profile from the history of profile records. Applicant admission of prior art teaches that developing a worst-case scenario when evaluating a credit history was old and well-known in the art at the time of invention. It would have been obvious to one of ordinary skill in the art at the time of invention to modify the determining whether to float a payment based on a history of profile records of Winking et al. with developing a worst-case profile. One skilled in the art would have been motivated to make the modification for the benefit of reducing risk of payments not clearing.

#### **NEW GROUND(S) OF REJECTION**

##### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**Claims 1-17 rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.**

For purposes of § 101, a "process" has been given a specialized, limited meaning by the courts. Based on Supreme Court precedent and recent Federal Circuit decisions, a process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101 since it is directed to non-statutory subject matter. In

addition to being tied to another statutory class, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

A method claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1-17 fail to meet the above requirements since there is neither a physical transformation nor a sufficient tie to another statutory class.

#### **(10) Response to Argument**

Appellant's arguments focus on independent claim 1.

Appellant submits that neither Winking et al. nor Crawford et al. teaches or suggests the following features:

“generating a behavior score associated with the credit account, wherein the behavior score assigns a level of risk to the credit account”

“based on the behavior score, determining whether to perform one of the following: float the payment, float part of the payment and apply the rest of the payment, and apply the payment in full.”

In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re*

*Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Appellant submits that “The Examiner seems to be asserting that this section of Crawford discloses that ‘based on an analysis of the retrieved history of profile records, generating a behavior score associated with the credit account, wherein the behavior score assigns a level of risk to the credit account.’” (see pg. 10 of Appeal Brief). This is, in fact, **not** what the Examiner asserts in the rejection at all. Winking et al. teaches each and every element of the claim besides generating a **behavior score**. Crawford is only cited as evidence that a FICO score was old and well known in the art at the time of invention. Thus, FICO is only relied upon as teaching a **behavior score** generated by an analysis of a retrieved history of profile records. Therefore, it would have been obvious to modify the analysis of the retrieved history of profile records of Winking et al. with generating a behavior score. The combination would have merely been the use of a known technique to improve a similar method in the same way. Here, the “base” method is determining whether or not to float a payment based on an analysis of a retrieved history of profile records. FICO can be seen as a “comparable” method since it is also an analysis of a retrieved history of profile records, ie. both methods are directed to determining the credit worthiness of a person. The FICO score can thus be viewed as an enhancement to analyzing a retrieved history of profile records. One of ordinary skill in the art would have been capable of applying this known method of enhancement to the “base” method taught by Winking et al. Further, the actual application of the technique would not have been beyond the skill of one of ordinary skill in the art.

Appellant further argues that neither Winking et al. nor Crawford et al. teaches or suggests performing one of the following based on a behavior score: float the payment, float part

of the payment and apply the rest of the payment, and apply the payment in full (see pp. 10-11 of Appeal brief).

Again, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. Winking et al. is relied upon for performing one of the following based on an analysis of a retrieved history of profile records: float the payment, float part of the payment and apply the rest of the payment, and apply the payment in full. FICO was only relied upon as teaching a **behavior score** based on an analysis of a retrieved history of profile records.

Appellant further argues “Nowhere does Winking or Crawford teach or suggest determining dynamically whether to float all, part, or none of a payment based on the behavior score (or level of risk) associated with a credit account. Conversely, the systems in Winking and Crawford are static in that they either float or apply the entire payment amount on an all-or-nothing basis.” (see pp. 10-11 of Appeal brief).

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the feature upon which applicant relies (i.e., floating part of a payment) is not required by the rejected claim(s). As explained in the rejection above, the limitation “perform one of the following: ...” is written in the alternative. Therefore, the claim only requires that the prior art teach one element in the list of alternatives. Even if, only for the sake of argument, the system in Winking et al. teaches floating on an “all-or-nothing” basis, the prior art would still read on the claim. Examiner notes that, contrary to Appellant's assertion, Winking et al. is not limited to floating on an “all-or-nothing” basis. Conversely, Winking et al.

also teaches applying portions of the payment amount. Paragraph 24, recites "Similarly, based on evaluation of the factors, **portions** of the payment amount may be applied to the available credit accordingly." (emphasis added).

#### **(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any

amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

**A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:**

/Wynn W. Coggins/

Director, TC 3600

Respectfully submitted,

/ERIC T. WONG/  
Examiner, Art Unit 3693

Conferees:

James A. Kramer /JAK/  
Supervisory Patent Examiner, Art Unit 3693

/Vincent Millin/  
Appeals Practice Specialist, TC 3600

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